

**RULES  
OF  
TENNESSEE STUDENT ASSISTANCE CORPORATION**

**CHAPTER 1640-1-3  
GRADUATE NURSING LOAN-SCHOLARSHIP PROGRAM**

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**1640-1-3-.01 ELIGIBILITY.**

- (1) The applicant must be:
  - (a) a resident of the State of Tennessee;
  - (b) accepted for enrollment, or enrolled full time, in a program of study leading to a master's degree in nursing, accredited by the National League For Nursing, or approved by the Tennessee Board of Nursing; or have a master's degree in nursing and be a candidate for a post-master's degree program in nursing, or a related field that would qualify the applicant to become a teacher, administrator or supervisor in nursing;
  - (c) currently licensed, or eligible to be licensed, to practice nursing in the State of Tennessee.

**Authority:** T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977.

**1640-1-3-.02 AMOUNT OF LOAN.**

- (1) The total amount of a loan for a one-year period shall not exceed four thousand dollars (\$4,000). The total maximum to any student under the Graduate Nursing Loan-Scholarship Program shall not exceed \$10,000 nor shall the total maximum for the master's degree candidate exceed \$5,000.
- (2) Funds shall be disbursed on a pro-rata basis at the beginning of each term, not to exceed \$4,000 per fiscal year.

**Authority:** T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976.

**1640-1-3-.03 REPAYMENT.**

- (1) Repayment shall be in monthly installments over a period of not more than eight years, beginning on the first day of the first month after completion or, cessation of the prescribed course of study.
- (2) The loan may be repaid in whole or part at any time, and interest will be charged only on the unpaid balance.
- (3) Permanent withdrawal or dismissal of any recipient or the failure of any recipient to do college work in a manner acceptable to this Corporation shall immediately forfeit such recipient's rights to retain such loan-scholarship.

(Rule 1640-1-3-.03, continued)

- (4) If a borrower issues a check, draft, warrant or electronic funds transfer, which is subsequently returned to the Tennessee Student Assistance Corporation for reason of insufficient funds, a stop payment order by the issuer, or any other reason, the payment to which these funds was applied shall be reversed on the borrower's account and interest shall continue to accrue from the date of the last valid payment.

**Authority:** T.C.A. §49-4-204. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977. Amendment filed July 17, 1991; effective October 29, 1991.

**1640-1-3-.04 INTEREST.** Interest shall be at the rate of six percent (6%) simple per annum starting at the beginning of the repayment period.

**Authority:** T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976.

**1640-1-3-.05 DEFERMENT.** Repayment shall be deferred, but interest shall accrue, during any period while the recipient is teaching nursing, or practicing nursing in Tennessee, provided the recipient has completed the prescribed program of study, or is continuing a post-master's program as a full-time student. Should the recipient cease to teach, or practice, or continue in the post-master's degree program as a full-time student, payment shall resume on the first day of the following month after cessation.

**Authority:** T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977.

**1640-1-3-.06 CANCELLATION.**

- (1) For each year of continuous full-time teaching of nursing or nursing practice in agencies in the State of Tennessee, recognized by the Tennessee Student Assistance Corporation, the borrower shall receive a credit of twenty-five percent (25%) of the amount borrowed, plus accrued interest on that portion of the debt cancelled.
- (2) The twenty-five percent (25%) credit shall be applied at the end of each year of continuous full-time teaching or practice. A person who teaches full-time for the full academic year or three quarters, or two semesters, shall be defined as having completed a year of continuous full-time teaching. No more than twenty-five percent (25%) of the loan-scholarship, with interest thereon, shall be cancelled in a one (1) year period.
- (3) Cancellation shall not apply unless the student completes the program of study for which the loan was granted.
- (4) The term "teaching" shall include persons employed in an administrative capacity in (a) programs for the preparation of nurses, and (b) graduate programs looking to the preparation of persons in allied health courses, or physiological science courses.
- (5) The term "practicing" shall be limited to persons in full-time employment as a nurse supervisor over ten or more registered nurses, or in service that tends to promote the training and education of persons employed in nursing professions, or health related programs.

**Authority:** T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976.

**1640-1-3-.07 MISCELLANEOUS.**

- (1) The debt shall be cancelled in the case of death or permanent and total disability of the borrower.
- (2) Any applications received or approved shall be subject to the availability of funds.

**Authority:** T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977.

**1640-1-3-.08 METHOD OF SELECTION OF RECIPIENTS.**

- (1) First priority shall be given to renewal applications.
- (2) Second priority will be given to persons who provide evidence satisfactory to the TSAC that they can enter faculty or administrative positions in Tennessee immediately upon completion of their master's or post-master's degree program.
- (3) Third priority shall be given to applicants who provide a notarized statement of their intention to enter faculty or administrative positions in Tennessee upon completion of their master's or post-master's degree program.
- (4) Fourth priority shall be given to other eligible applicants.
- (5) Applicants shall be grouped according to the priority assigned to their application. Should available funds be exhausted before all eligible applicants have received an award, applicants in the lowest priority grouping for which funds are available shall be distinguished by the date of receipt of their application by the TSAC and awards shall be made to those applicants with the earliest date of receipt until available funds are expended.
- (6) Commitments may be made on April 1 to those students with completed applications on file with TSAC, for funds to be disbursed during the coming fiscal year.

**Authority:** T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977.